

Price Thresholds Above Which Full Royalties Are  
Due Not Withstanding Volume Suspensions

**Deep Water Oil**

Deflator		Oil Price Threshold (\$/bbl)		Actual (\$/bbl)
Calendar Year	Implicit Price Deflator for GDP	For DWRRA <sup>1</sup>	For Deep Water Leases Sold in 2001	Average NYMEX Nearby Delivery
1994	96.01	\$28.00		
1995	98.10	\$28.61		
1996	100.00	\$29.16		\$21.99
1997	101.95	\$29.73		\$20.63
1998	103.20	\$30.10		\$14.43
1999	104.65	\$30.52		\$19.26
2000	107.04	\$31.22	\$28.00	\$30.25
2001	109.37	\$31.90	\$28.61	\$25.99
2002	110.66	\$32.27	\$28.95	\$26.10
2003e	113.00	\$32.95	\$29.56	
NYMEX Year-to-Date 2003 Average				\$32.47
May -Dec Average Needed to Suspend Relief		\$33.19	\$28.10	
Estimated (e) Threshold Target Price Level		\$32.95	\$29.56	
Gap Between Threshold and Current Average		\$0.48	-\$2.92	

**Deep Water Natural Gas**

Deflator		Gas Price Threshold (\$/MMBTU)		Actual (\$/MMBTU)
Calendar Year	Implicit Price Deflator for GDP	For DWRRA <sup>1</sup>	For Deep Water Leases Sold in 2001	Average NYMEX Nearby Delivery
1994	96.01	\$3.50		
1995	98.10	\$3.58		
1996	100.00	\$3.65		\$2.50
1997	101.95	\$3.72		\$2.42
1998	103.20	\$3.76		\$2.16
1999	104.65	\$3.81		\$2.31
2000	107.04	\$3.90	\$3.50	<b>\$4.33</b>
2001	109.37	\$3.99	\$3.58	<b>\$4.06</b>
2002	110.66	\$4.03	\$3.62	\$3.36
2003e	113.00	\$4.12	\$3.69	
NYMEX Year-to-Date 2003 Average				\$5.78
May -Dec Average Needed to Suspend Relief		\$3.29	\$2.64	
Estimated (e) Threshold Target Price Level		\$4.12	\$3.69	
Gap Between Threshold and Current Average		-\$1.66	-\$2.09	

### **Shallow Water, Deep Natural Gas**

Deflator		Gas Price Threshold (\$/MMBTU)		Actual (\$/MMBTU)
Calender Year	Implicit Price Deflator for GDP	Sale 178	Sale 180,182,184	Average NYMEX Nearby Delivery
		Well Depths >15,000 ft		
2000	107.04	\$3.50	\$5.00	<b>\$4.33</b>
2001	109.37	\$3.58	\$5.11	<b>\$4.06</b>
2002	110.66	\$3.62	\$5.17	\$3.36
2003e	113.00	\$3.69	\$5.28	

  

NYMEX Year-to-Date 2003 Average				\$5.78
May -Dec Average Needed to Suspend Relief		\$2.64	\$5.03	
Estimated (e) Threshold Target Price Level		\$3.69	\$5.28	
Gap Between Threshold and Current Average		-\$2.09	-\$0.50	

footnote: 1. These price thresholds apply to pre-act leases, certain eligible leases, and leases issued in 2002 and 2003.

note: The implicit price deflator for the 2003 GDP is an estimate (e).

Sources: NYMEX - OIL WORLD  
[www.oilenergy.com/1onymex.htm](http://www.oilenergy.com/1onymex.htm)  
[www.oilenergy.com/1gnymex.htm](http://www.oilenergy.com/1gnymex.htm)

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Data for Implicit Price Deflator for GDP:

2002 I	110.14
2002 II	110.48
2002 III	110.76
2002 IV	111.25
2003 I	111.95

Source: <http://www.bea.doc.gov>